

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE EASTERN DISTRICT OF VIRGINIA
RICHMOND DIVISION**

In re:

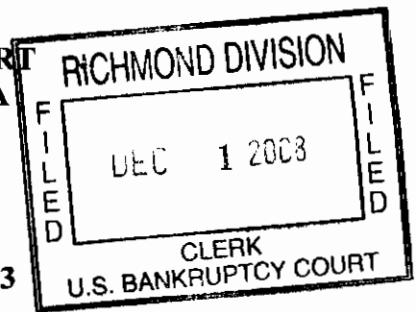
**CIRCUIT CITY STORES, INC.,
et al.**

Chapter 11

Case No. 08-35653

Jointly Administered

Debtors.



**REQUEST FOR ADEQUATE ASSURANCE, REQUEST FOR ADDITIONAL
ADEQUATE ASSURANCE AND OBJECTION TO DEBTOR'S PROPOSED
ADEQUATE ASSURANCE**

Knoxville Utilities Board ("KUB") objects to Debtor's Proposed Adequate Assurance and requests payment of Adequate Assurance for three (3) stores operating in the area of Knox County, Tennessee. The aforesaid stores are not on the proposed list for closings. In support of its request, KUB says as follows:

1. The Debtor's proposal to use a "block" account is inadequate in that the Knoxville Utilities Board needs at least a two-month deposit for post-petitions operations.
2. The Debtor's proposed "block" account, pursuant to 11 U.S.C. §366 does not constitute adequate assurance of payment in that it is not any form of assurance of payment identified under 11 U.S.C. §366(c).
3. The proposed adequate assurance is not "satisfactory" to KUB as required by the bankruptcy code and may, in fact, be illusory, where the debtor could default and Bank of America would not be required to continue funding.
4. The procedure proposed in the Proposed Adequate Assurance places the burden for a satisfactory post petition deposit upon the utility company and places it at

risk as to whether, in fact, it will be paid. These requests do not provide adequate assurance and are contrary to the provisions prescribed by 11 U.S.C. §366(c).

5. Knoxville Utilities Board will accept a cash deposit of \$37,000.00 for the post-petition operations of the three stores in question in Knox County, Tennessee, which represents approximately a 2-month usage.

Respectfully submitted this 25th day of November, 2008.

Dean B. Farmer *By Kandi R Yeager*

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CERTIFICATE OF SERVICE

I certify that a true and correct copy of the foregoing pleading has been forwarded to the following persons, by placing same in the U.S. Mail, postage prepaid, on this the 25th day of November, 2008:

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November 25, 2008

Clerk of the Court
 United States Bankruptcy Court
 Eastern District of Virginia
 1100 East Main Street, Room 310
 Richmond, VA 23219-3515

Re: Circuit City Stores, Inc., et al.
 USBC No. 08-35653

To Whom It May Concern:

Please find enclosed Knoxville Utility Board's Request for Adequate Assurance, Request for Additional Adequate Assurance and Objection to Debtor's Proposed Adequate Assurance for filing. I have enclosed an return envelope for your convenience.

Very truly yours,

HODGES, DOUGHTY & CARSON, PLLC

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